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**PURPOSE**

To establish Michigan Department of Health and Human Services (MDHHS) requirements to identify business associates, draft and implement business associate contracts, and resolve any breaches of the business associate contract.

**REVISION HISTORY**

Issued: April 14, 2003

Revised: September 1, 2013

**PROCEDURE**

Responsibility	Action
Business Associate Contract	The MDHHS may obtain assistance from the Department of Attorney General to draft the appropriate business associate language and/or agreements. Covered Health Care Components will be responsible to implement the Business Associate Agreement. All contracts must be reviewed in accordance with MDHHS, and Department of Technology, Management and Budget (DTMB) policies. Questions regarding the status of a vendor or independent contract should be forwarded to the MDHHS privacy office. The business associate language must be included in applicable new or renewing contracts.
Identifying Business Associates	Covered Health Care Components must identify business associates. If there is an underlying, financial agreement between the Covered Health Care Component and the business associate, then the Covered Health Care Component must advise the Grants and Purchasing Division Administration.
Breaches of Contract	Active monitoring of business associate is not required, however, when MDHHS is on notice that a business associate has breached the confidentiality terms of the contract with MDHHS, then MDHHS must act. The business associate must cure the breach, or the contract will be terminated if feasible, and the violation may be reported to MDHHS/OCR

**REFERENCES**

- a. [45 CFR §160.103, Definitions, Business Associates, Workforce, 45 CFR §164.502\(e\), 45 CFR](#)
- b. [§164.504\(e\), 45 CFR §164.532\(d\)\(e\), APL-680 HIPAA Policies and Procedures Definition Glossary, APL-68A-20, Policy Business Associates.](#)

**CONTACT**

For additional information concerning this procedure, contact the MDHHS Bureau of Legal Affairs.

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